

Medicare Select Policies use a Network Hospital



Senior Health Insurance
Information Program

Ask SHIIP

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Q: My neighbor told me about a Medicare Supplement policy that reduced her monthly premiums. She said it was called a SELECT policy. Can I buy one of these?

A: Some private insurance companies that sell Medigap policies also sell Medicare SELECT policies. In exchange for a reduced premium, you agree to use specific hospitals, and in some cases specific doctors (except in an emergency). This is traditional Medicare supplement coverage restricted to a specific contracted hospital. You must utilize the local network hospital for all inpatient services.

If you don't use the SELECT hospital or doctor for non-emergency services, you will have to pay what the Original Medicare Plan doesn't pay. The Original Medicare Plan will pay its share of approved charges no matter what hospital or doctor you choose.

When considering a Medicare Select Policy, a Medicare +

Choice Program (HMO, PPO, etc.), or any other insurance that uses a network you should consider the following:

1. Do I prefer a certain hospital? Is it part of the network?
2. Am I willing to switch doctors if mine is not part of the network or leaves the network?
3. Do I spend a significant amount of time traveling? Do I plan to live in an area outside the network for part of the year?

Medigap insurance and the companies that sell it are highly regulated. If you decide to try a Medicare Select policy and later decide you do not like using the network, the insurance company must let you switch back to a regular plan (with the same benefits if available). Remember your premium would likely increase.

There are also other ways to potentially save money:

If you are looking to reduce your policy costs, you can also consider changing your policy to one with fewer benefits. Your premium should decrease, but be sure to consider how this will increase your out of pocket expenses.

You can also consider switching companies. Medigap plans are regulated by the Federal Government and include 10 plans (A – J). If you decide to go price shopping make sure you are always asking about the same policy (by letter). The price

can vary considerably for the same exact same coverage. You should also ask how they determining their rates. We always recommend you call at least three companies.

NOTE: You should never cancel a current policy before you are certain the new one is what you want. Insurance companies must give you a 30-day free look period during which you can return the policy and get your money back.

Some companies also offer high deductible plans. After paying a \$1620 deductible, your policy will begin to pay. Again you need to compare your savings with out of pocket costs.

Another thing to consider is if any Medicare + Choice plans (HMO, PPO, Private Fee for Service Plans) are available in your area. These may also involve a network, but have the potential to save you money. You must live in their service area to qualify.

For more information on Medigap Insurance and Medicare + Choice plans call 1-800-452-4800 to receive a free packet of information that includes a list from the Indiana Department of Insurance of the companies licensed to sell Medigap and Medicare Select policies in the state of Indiana.

Address your questions to:

Ask SHIIP
311 W. Washington Street
Ste. 300
Indianapolis, IN 46204
Or www.in.gov/idoi/shiip

SHIIP is a free, unbiased counseling program provided by the Indiana State Department of Insurance. For assistance, call your local SHIIP site to make an appointment or call the state office at 1-800-452-4800 to obtain a list of local SHIIP sites.